



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
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WASHINGTON, D.C. 20314-1000

CECW-PC

MAY 24 2013

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS

SUBJECT: Modification of non-federal contribution in Design Agreement

1. In accordance with Section 105(c) of WRDA 86, design costs for a project are to be cost shared in the same percentage as construction costs for the project's purpose. In order to align the required contributions of a non-federal sponsor under a Design Agreement (DA) with the non-federal cost share percentage required for construction costs, the DA model has been revised to include options for the appropriate percentage to use depending on the project purpose. Costs incurred under the DA will be included in total project costs or total cost of construction of general navigation features (for navigation projects), as applicable, in the Project Partnership Agreement (PPA). Any eligible contributions made under the DA will be credited towards the non-federal share of total project costs or total cost of construction of the general navigation features, as applicable. The revised DA reflecting these changes has been posted on the USACE PPA web page.

2. The following guidance, effective immediately, applies to the negotiation and execution of any new DA even those where negotiations were initiated using a prior version of the model.

a. Use 10 percent in the DA if the project purpose is commercial navigation and the depth is 20 feet or less, excluding associated over-depth and entrance channel wave allowances.

b. Use 25 percent in the DA if the project purpose is flood risk management and the project was authorized on or prior to October 12, 1996 or the project purpose is commercial navigation and the depth is greater than 20 feet but not greater than 45 feet, excluding associated over-depth and entrance channel wave allowances. However, use 50 percent in the case of a structural flood risk management project that has been authorized for construction and the current estimate of project costs clearly show that the cost sharing will be 50 percent federal and 50 percent non-federal.

c. Use 35 percent in the DA if the project purpose is flood risk management and the project was authorized after October 12, 1996; the project purpose is flood risk management and the project has not been authorized for construction; or the project purpose is ecosystem restoration or hurricane and storm damage reduction. However, use 50 percent in the case of a structural flood risk management project that has been authorized for construction and the current estimate of project costs clearly show that the cost sharing will be 50 percent federal and 50 percent non-federal.

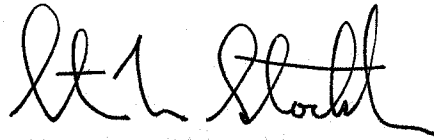
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d. Use 50 percent in the DA if the project purpose commercial navigation and the depth is greater than 45 feet, excluding associated over-depth and entrance channel wave allowances; or the project purpose is recreation.

e. If the project in the DA is a multi-purpose project or a commercial navigation project that crosses depth zones, select the percentage that corresponds to the major purpose or depth of the project.

3. If requested by the non-federal sponsor, an existing DA may be amended to be consistent with this guidance. The authority to approve such amendment is delegated to the MSC Commanders and may not be further delegated.



STEVEN L. STOCKTON, P.E.
Director of Civil Works

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